

American Health Care Landscape



The Health Care Landscape in America is comprised of various types of insurance and coverage. There are 3 categories of coverage types that have different structures, and different considerations.

Government Programs are programs that are funded by American Taxpayers. Medicare and Medicaid are the two largest, but there are a handful of “alphabet soup” programs such as Children’s Health Insurance Program (CHIP) and others.

The Individual Market is insurance that is purchased by either an individual person, or in some instances small businesses with 50 or fewer employees. If you buy insurance on a State or Federal “Exchange” you are purchasing individual insurance from a Health Plan, that is subsidized by the government.

The Commercial Market is what we think of when we are talking about having insurance coverage from your employer. Small group employers may also choose to provide benefits from a commercial market plan. Large Group insurance refers to big companies, or a big pool of employees. Administrative Services Only (ASOs) are products where a Health Plan “administers” the health insurance plan for a company who self-funds the insurance benefit they provide their employees. ASOs are covered under the Employee Retirement Income Security Act of 1974 (**ERISA**), and are therefore exempt from many of the laws and regulations that State governments pass to control the insurance market, such as mandated benefits. This is important when we discuss the cost of care a little bit later.